

Approved For Release 2004/07/08 : CIA-RDP79S00427A000200080004-6
16 November 61

CONCLUSIONS OF SPECIAL USIB SUBCOMMITTEE
ON BERLIN SITUATION*
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Period covered:

1 through 14
November 1961

1. We expect that in the next several weeks the Soviets will concentrate on creating an atmosphere which they believe will induce the Western powers to take the initiative in proposing negotiations. Further hints of flexibility on the terms for a settlement also seem likely. At the same time, the Soviets will consider it necessary to maintain a degree of pressure against the West, as suggested by the Soviet refusal to discuss the dispute over Western access into East Berlin. New attempts to restrict or deny Western access to East Berlin cannot be ruled out but pending the Western response to overtures for negotiations, it is more likely that the East Germans would avoid further major moves which would heighten tensions and destroy the possibility of negotiations.

2. Since the end of the Soviet party congress Moscow has stepped up its efforts to create an impression of reasonableness on the procedures and substance of negotiations on Berlin. The net effect of public and private statements by Soviet and Bloc leaders has been to confirm Moscow's willingness to deal primarily with the questions of West Berlin's status and access,

* These conclusions were approved by USIB at its meeting on 16 November 1961.

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separate from proposals for a German peace treaty, and to accept four-power talks as the forum, but without ruling out further bilateral talks with the US. Although the latest Soviet statements indicate that East Germany could be associated with any new four-power agreement by means of a Soviet-East German bilateral agreement, the vague formula calling for Western "respect for East German sovereignty" suggests that Moscow will continue to press for some form of Western acceptance of the GDR regime.

3. The East German regime has failed in its efforts to obtain significant popular support and expressions of anti-regime sentiments appear to be growing bolder. Passive resistance to the production drive begun in September continues to be widespread and there are indications that industrial slowdowns and inferior products are causing increasing concern to the party's leaders. As a result of a large-scale recruitment drive, the military and security forces have been expanded--but morale and reliability in the lower ranks has suffered. There are almost daily reports of anti-regime incidents, arrests and stiff prison sentences, cases of purported sabotage--especially in rural areas--and acts of defiance among university and high school students. We believe, however, that the regime backed

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by Soviet troops, is prepared to and capable of taking whatever actions are necessary to suppress a popular revolt developing out of strikes or serious local demonstrations.

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4. Medium and low-level East German party functionaries, still uneasy about the consequences of the repressive measures they have been called upon to execute since 13 August, have been further shaken by the implications which the denunciation of Stalin has for the East German party.

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The central leadership is seeking, although erratically and unsuccessfully at present, to reassure its operating echelons and to prevent their paralysis. Ulbricht's personal position in the party is being questioned but there are no indications that he is to be replaced.

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5. There are indications that East German economic planning assumptions are under review and may now be based on a continuation of the status quo in interzonal trade in 1962.

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[REDACTED]
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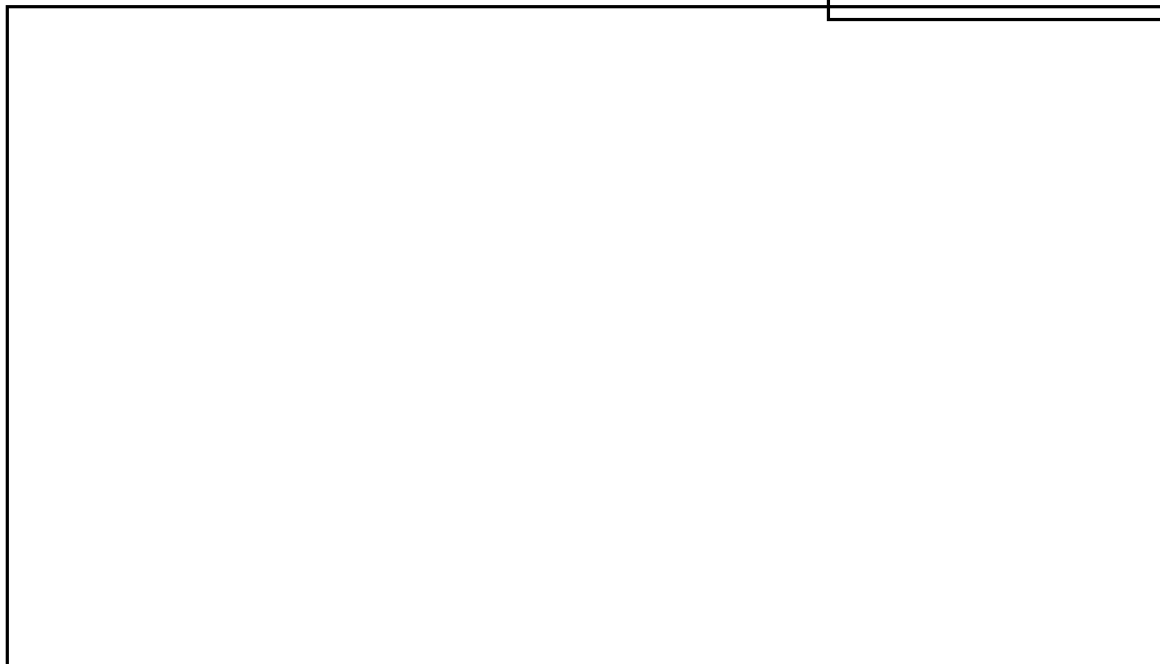
6. Current GSFG and Satellite activities indicate an extension of the exercise season for the ~~individual~~ Warsaw Pact forces. [REDACTED]

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There is insufficient evidence to explain the several reports concerning mid-November alerts of East German border and security units. However, at least some of these reports are believed to be related to field training for the units concerned. [REDACTED]

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